

DEPARTMENT OF VETERANS AFFAIRS

Justification and Approval

For

Other Than Full and Open Competition

Acquisition Plan Action ID: **VA240C-17-D-0013**

1. Procuring Contracting Activity: Department of Veterans Affairs, SAO Central Region, 229 3rd Avenue S, Suite 29, Minneapolis MN, 55401 for the Department of Veterans Affairs, on behalf of VISN 12 Great Lakes Healthcare System, *5000 West National Avenue, Milwaukee, WI 53295-1000*. The contracting activity plans to extend sole-source contract VA240C-17-D-0013 for an additional six months for the period of July 1, 2018 through December 31, 2018. This document sets forth the justification and approval as required by FAR 6.302.

2. Nature and/or Description of the Action Being Processed: The Department of Veterans Affairs has a need to issue a six-month extension contract to continue services for VA240C-17-D-0013 without using competitive procedures. This is a request for other than full and open competition for the procurement of Home Oxygen/HME Services for the period of July 1, 2018 through December 31, 2018 using FAR 52.217-8. FAR 52.217-8 was included in the contract's clauses at the time of solicitation and award, but a six-month extension was not evaluated during the solicitation phases. Because the six-month option to extend services was not evaluated, the Department of Veterans Affairs seeks to extend the contract on the basis of other than full and open competition. The current contractor is:

THH Acquisition LLC dba Total Home Health
780 S Mclean Blvd.
Elgin, IL 60123

3. Description of Supplies/Services Required to Meet the Agency's Needs: The contractor will provide Home Respiratory Services and Respiratory Equipment as well as Home Medical Equipment (HME) services for Beneficiaries of the VISN 12 Great Lakes Health Care System. The VISN currently serves an estimated 3600 oxygen-using patients located throughout Wisconsin, Illinois, Minnesota, Indiana and Michigan. Required services include storage, delivery, set-up, adjustment, patient/caregiver instructions and recovery of equipment. The awarded estimated aggregate value was \$6,974,873 for a six-month contract with one six-month option. At this time, only \$1,052,782 has been spent on this IDIQ contract.

4. Statutory Authority Permitting Other than Full and Open Competition: The justification rationale is based on FAR Part 6.302-1 "Only one responsible source and no other supplies or services will satisfy agency requirements." Services, at this time, may be deemed to be available only from one source (the incumbent contractor) whereas it is likely that award to another source would result in unacceptable delays in fulfilling the agency's requirement and substantial duplication of cost, due to the lengthy transition, to the Government that is not expected to be recovered through competition. It is clinically imperative that the Home Oxygen/HME Services continue in the interim until the SAO Central Regional contract is awarded. Any delay or lapse in service in the availability of these critical patient care medical services increases the possibility for injury or reduction in the quality of medical care available to our nation's veterans while pending the award of a new contract.

5. Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority): The incumbent contractor, Total Home Health, currently fulfills the Home Oxygen/HME requirements for all medical facilities located within VISN 12, a change in vendor would require an immediate exchange of contractor owned equipment (cylinder tanks, accessories, etc).

Contract transition for a requirement of this size and scope necessitates a minimum of ninety (90) days or more. This is a result of a diverse geographic area and coordination with the multiple facilities in Wisconsin, Michigan, and Illinois. Expediting the transition could potentially result in needless costs to the government for replacement of missing contractor inventory. In addition, there is one important compelling reason to sole source to the incumbent contractor for Home Oxygen/HME Services until the new contract is awarded, the guarantee of the continuity of services to ensure there is no interruption of -critical patient services or equipment.

6. Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable: In order to maintain patient care services for VA Beneficiaries, competition amongst more than one source has been deemed impracticable by the contracting officer based on the considerations set out above. This justification relates solely to the need of providing a bridge contract for these critical medical services pending the award of the long term contract. In accordance with FAR 6.305, the sole source justification shall published on www.FBO.gov.

7. Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable: These products and services are available in the commercial market place and there are current established pricing for these products, which will serve as a basis for determining fair and reasonable pricing. The proposed pricing will be compared to the Government estimate, market research and current contract pricing prior to award.

8. Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted: No other vendors were contacted at this point in time. Total Home Health is the current vendor supplying Home Oxygen/HME to the VISN 12 Veteran patient population. A new contract with option years is currently being worked on and expected completion of the activity is expected within 6-12 months. This transaction will be awarded to the incumbent Total Home Health while the new contract is evaluated in order to ensure there is no disruption of services to VISN 12 Beneficiaries (which would result in a direct patient care issue). Market research demonstrates that there will be a reasonable expectation that two or more offers would be received in response to the solicitation for the long-term contract.

9. Any Other Facts Supporting the Use of Other than Full and Open Competition: There are no other facts supporting the use of Other Than Full and Open Competition.

10. Listing of Sources that Expressed, in Writing, an Interest in the Acquisition: Not applicable.

11. A Statement of the Actions, if any, the Agency May Take to Remove or Overcome any Barriers to Competition before Making subsequent acquisitions for the supplies or services required: The VISN 12 Home Oxygen/HME Services long-term contract will be solicited using full and open procedures and has provided opportunity for competition.

12. Requirements Certification: I certify that the requirement outlined in this justification is a Bona Fide Need of the Department of Veterans Affairs and that the supporting data under my cognizance, which are included in the justification, are accurate and complete to the best of my knowledge and belief.

Jon C. Ohnesorge
Outpatient Respiratory Program Supervisor/COR
Milwaukee VA Medical Center

Date

13. **Approvals in accordance with the VHA PM, Volume 6, Chapter VI: OFOC SOP**

- a. **Contracting Officer's Certification:** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

Jennifer M. Johnson
Contracting Officer
SAO Central Region

Date

- b. **Director of Contracting/Designee:** I certify that the justification meets requirements for other than full and open competition.

N/A

Paul M. Lauro
Network Contract Manager
NCO 12

Date

- c. **VHA SAO HCA Review and Approval:** I have reviewed the foregoing justification and find it to be complete and accurate to the best of my knowledge and belief and approve for other than full and open competition.

Randy Hays
Acting, SAO Director, Central Region
VHA Head of Contracting Activity (HCA)

Date